



Arkansas Department Of Health and Human Services



Division of Medical Services

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TO: Arkansas Medicaid Health Care Providers - Pharmacy

DATE: October 1, 2006

SUBJECT: Provider Manual Update Transmittal #90

REMOVE

Section	Date
201.000	9-1-05
211.000	1-1-06
212.000	1-1-06
214.000	10-13-03
221.000	9-1-05

INSERT

Section	Date
201.000	10-1-06
211.000	10-1-06
212.000	10-1-06
214.000	10-1-06
221.000	10-1-06

Explanation of Updates

Section 201.000 is included to add language regarding participation and enrollment requirements for Pharmacy providers.

Section 211.000 is included to reference Pharmacy providers where to locate the procedure codes for the influenza virus and pneumococcal polysaccharide vaccines.

Section 212.000 has been revised for clarity and to add an exclusion. Effective January 1, 2006, the Medicaid agency will not cover any Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.

Section 214.000 has been renamed, "Appealing an Adverse Decision" and it references section 190.000 for information regarding administrative appeals.

Section 221.000 is included to add additional information regarding documentation that all providers are required to maintain.

Paper versions of this update transmittal have updated pages attached to file in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes will be automatically incorporated.

If you need this material in an alternative format, such as large print, please contact our Americans with Disabilities Act Coordinator at (501) 682-6789.

If you have questions regarding this transmittal, please contact the EDS Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

www.arkansas.gov/dhhs

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Arkansas Medicaid provider manuals (including update transmittals), official notices and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Roy Jeffus, Director

*TOC required***201.000 Arkansas Medicaid Participation Requirements for Pharmacy Providers 10-1-06**

Providers of pharmacy services must meet the following criteria in order to be eligible for participation in the Arkansas Medicaid Program:

- A. The pharmacy must complete a provider application, a Medicaid contract and a Request for Taxpayer Identification Number and Certification with the Arkansas Medicaid Program. [View or print a provider application \(form DMS-652\), Medicaid contract \(form DMS-653\) and Request for Taxpayer Identification Number and Certification \(W-9\).](#)
- B. The pharmacy must have a current retail pharmacy permit issued by the applicable State Board of Pharmacy. A current copy of the pharmacy permit must accompany the provider application and Medicaid contract. Subsequent permits must be provided when renewed.
 1. Subsequent retail pharmacy permit renewal must be forwarded to the Medicaid Provider Enrollment Unit within 30 days of issuance.
 2. Failure to ensure that current permit and/or certification is on file with the Medicaid Provider Enrollment Unit will result in termination from the Arkansas Medicaid Program.
- C. The pharmacy must have a DEA number issued by Drug Enforcement Agency. A current copy of the DEA certificate must accompany the provider application, Request for Taxpayer Identification Number and Certification, and Medicaid contract. Subsequent certificates must be provided when renewed.
 1. Subsequent DEA certifications must be forwarded to Provider Enrollment within 30 days of issuance.
 2. Failure to ensure that current DEA certification is on file with the Medicaid Provider Enrollment Unit will result in termination from the Arkansas Medicaid Program.
- D. Indian Health Services (HIS) pharmacy providers enrolled in other states' pharmacy programs will meet Arkansas enrollment criteria if they provide proof of other state enrollment.
- E. Enrollment as a Medicaid provider is conditioned upon approval of a completed provider application and the execution of a Medicaid provider contract. Persons and entities that are excluded or debarred under any state or federal law, regulation or rule are not eligible to enroll, or to remain enrolled, as Medicaid providers.
- F. The Pharmacy provider must adhere to all applicable professional standards of care and conduct.

211.000 Scope 10-1-06

The Arkansas Medicaid Pharmacy Program conforms to the Medicaid Prudent Pharmaceutical Purchasing Program (MPPPP) that was enacted as part of the Omnibus Budget Reconciliation Act (OBRA) of 1990. **This law requires Medicaid to limit coverage to drugs manufactured by pharmaceutical companies that have signed rebate agreements.** A numeric listing of approved pharmaceutical companies and their respective labeler codes is located on the Arkansas Division of Medical Services (DMS) Web site at www.medicaid.state.ar.us. [View or print numeric listing of approved pharmaceutical companies and their respective labeler codes.](#) Except for drugs in the categories excluded from coverage, Arkansas Medicaid covers all drug products manufactured by companies with listed labeler codes. As additions or deletions by labelers are submitted to the State by the Centers for Medicare and Medicaid Services (CMS), the Web site will be updated.

The Arkansas Medicaid Program will cover the following drug categories:

- A. Prescription drugs are covered by the Arkansas Medicaid Program pursuant to an order from an authorized prescriber. The Multisource Drugs Listing located on the DMS Web site at www.medicaid.state.ar.us lists those products covered by the Arkansas Medicaid Program that have a generic upper limit (See Section 251.300 for an explanation of generic upper limit.)

As changes are made to the drug coverage, providers will be notified of the revisions.

- B. Over-the-counter items are listed on the Web site at www.medicaid.state.ar.us. These items are covered only if they contain an appropriate National Drug Code on their label and are manufactured by a company that has signed a rebate agreement. Over-the-counter items are not covered for long-term care facility residents. [View or print a list of over-the-counter items.](#)
- C. For individuals age 21 years and older, the Arkansas Medicaid Program will reimburse pharmacies the cost of administering, by injection, two types of vaccines:
1. Influenza virus vaccine, whole virus, for intramuscular or jet injection use and
 2. Pneumococcal polysaccharide vaccine, 23-valent, adult or immunosuppressed patient dosage, for subcutaneous or intramuscular use.

NOTE: The Arkansas Medicaid Program will cover the above-listed vaccines only for Medicaid beneficiaries age 21 years and older.

A prescription order from an authorized prescriber must be on file; however, no primary care physician (PCP) referral is required to administer the vaccines.

These vaccines are payable for Medicaid-eligible beneficiary age 21 years and older. The influenza virus vaccine is limited to one per state fiscal year (July through June). The pneumococcal polysaccharide vaccine is limited to one every ten years.

Medicaid will reimburse the Medicare deductible and/or coinsurance for all beneficiaries receiving both Medicare and Medicaid benefits.

Pharmacies must use the CMS-1500 claim form when billing Medicaid for these vaccines.

NOTE: Please refer to section 262.100 for the procedure codes for influenza virus and pneumococcal polysaccharide vaccines.

212.000

Exclusions

10-1-06

- A. Products manufactured by non-rebating pharmaceutical companies.
- B. Effective January 1, 2006, the Medicaid agency will not cover any drug covered by Medicare Part D for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.
- C. The Medicaid agency provides coverage, to the same extent that it provides coverage for all Medicaid beneficiaries under § 1927 (d) of the Social Security Act, for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses; with the exception of those covered by Part D plans as supplemental benefits through enhanced alternative coverage as provided in 42 CFR § 423.104 (f) (1) (ii) (A) to full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit- Part D.

The following excluded drugs set forth on the Arkansas Medicaid website (www.medicaid.state.ar.us), are covered:

1. select agents when used for weight gain

2. select agents when used for the symptomatic relief of cough and colds
3. select prescription vitamins and mineral products, except prenatal vitamins and fluoride
4. select nonprescription drugs
5. select agents when used to promote smoking cessation
6. barbiturates
7. benzodiazepines

- D. Medical accessories are not covered under the Arkansas Medicaid Pharmacy Program. Typical examples of medical accessories are atomizers, nebulizers, hot water bottles, fountain syringes, ice bags and caps, urinals, bedpans, glucose monitoring devices and supplies, cotton, gauze and bandages, wheelchairs, crutches, braces, supports, diapers and nutritional products.

214.000 **Appealing An Adverse Action** **10-1-06**

Please see section 190.000 et al for information regarding administrative appeals.

221.000 **Record-Keeping Requirements** **10-1-06**

- A. Medicaid requires that drug records (e.g., purchase invoices, official dispensing records, prescriptions and inventory records) must be kept in a manner that is readily retrievable and retained for at least five (5) years or until all issues are resolved regarding audits, litigations, appeals, etc. Although the Arkansas State Board of Pharmacy requires record retention for at least two (2) years, the record-retention requirement is expanded to five (5) years for Medicaid providers.
- B. The Pharmacy provider must contemporaneously establish and maintain records that completely and accurately explain all evaluations, care, diagnoses and any other activities in connection with any Medicaid beneficiary.
- C. Pharmacy providers furnishing any Medicaid-covered service, for which a prescription is required by law, by Medicaid rule, or both, must have a copy of the prescription for such good or service. Unless required earlier by other rule or law, the provider must obtain a copy of the prescription within five (5) business days of the date the prescription is written.
- D. The Pharmacy provider must maintain a copy of each relevant prescription in the Medicaid beneficiary's records and follow all prescriptions and care plans.
- E. Upon request, providers must **immediately** furnish records to authorized representatives of the Arkansas Division of Medical Services, the State Medicaid Fraud Unit, representatives of the Department of Health and Human Services (DHHS), the Medicaid Fraud Division of the Attorney General's Office and the Centers for Medicare and Medicaid Services (CMS). Failure to furnish records upon request may result in sanctions being imposed.